



AUSTRALIAN ENERGY
REGULATOR

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20 April 2011

Mr Stuart Dodds
Operations Manager Power Transmission
APA Group
PO Box 6569
Upper Mount Gravatt
QLD 4122

Dear Mr Dodds,

Re: Transmission service standards review for 2010

I am writing to inform you of the outcome of the Australian Energy Regulator's (AER) review of Directlink's performance against its transmission service standards incentive scheme for the 2010 calendar year.

In conducting the review, AER staff considered Directlink's revenue cap decision, dated 3 March 2006, the ACCC's *Statement of Principles for the regulation of transmission revenues: Service Standard Guidelines*, published in November 2003 which the AER adopted in 2005 as part of its Compendium of electricity transmission regulatory guidelines, and Directlink's performance report for 2010 (submitted to the AER 31 January 2011).

After conducting the review of Directlink's transmission service performance, I endorse the service standards factor ("s-factor") applying to Directlink's service component of -1.0 per cent for the 2010 calendar year. The application of this s-factor results in a reduction of Directlink's maximum allowed revenue of \$126,561 to Directlink's maximum allowed revenue for the 2011-12 financial year.

I would like to thank Directlink for its open and active participation in this year's audit process. Should you have any further enquiries please contact Luke Stevens on (03) 9290 1485.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Chris Pattas'.

Chris Pattas
General Manager